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BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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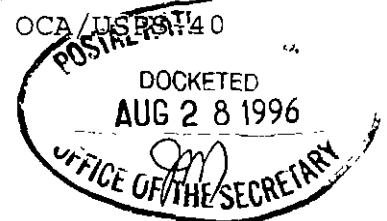
Special Services Fees and Classifications ) Docket No. MC96-3

OFFICE OF THE CONSUMER ADVOCATE  
MOTION TO COMPEL RESPONSES TO INTERROGATORIES  
OCA/USPS-36(a) AND (b), 37, AND 47  
(August 28, 1996)

The Office of the Consumer Advocate (OCA) requests that the Presiding Officer direct the Postal Service to respond to interrogatories OCA/USPS-36(a) and (b), 37, and 47. These interrogatories, filed August 14 and 16, 1996, request information necessary (1) to determine whether the reliability of various statistical cost systems has declined since Docket No. R94-1 or (2) to verify that certain mathematical formulas included in Postal Service documentation were actually used to produce the variance estimates included in Postal Service documentation. The Service has objected to these interrogatories on grounds of relevance, burden, and privilege.<sup>1</sup>

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<sup>1</sup> Objection of the USPS to OCA Interrogatories OCA/USPS-36(a) and (b), 37(a) and (b), 42(f), 43(f), and Partial Objection to OCA/USPS-47, August 26, 1996. The OCA is not currently seeking compelled responses to interrogatories 42(f) and 43(f). The Postal Service anticipates that its response to OCA/USPS-40



All but one of the objected to interrogatories (OCA/USPS-37) are designed to allow a comparison of the reliability of statistical costs systems for fiscal years 1993 and 1995. FY 1993 was the base year in Docket No. R94-1, the last year for which the Commission has reliability estimates for the Postal Service's statistical costing systems. For a variety of reasons, some of the reliability estimates provided in Docket No. MC96-3 are not comparable to those provided in R94-1. This makes it virtually impossible to tell whether there have been changes (intentional or otherwise) in the way reliability estimates were developed for FY 1995, the base year in MC96-3. It also makes it impossible to determine whether the statistical reliability of cost systems has declined between FY 1993 and FY 1995.

The relevance of a comparison of cost systems' reliability for two recent fiscal years would seem to be self-evident. If reliability has declined, then greater caution is needed when utilizing attributable cost estimates. It must be remembered that the attributable costs of categories of mail and special services are estimates, with a certain degree of uncertainty associated with them. Reliability estimates, such as

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will render a response to those interrogatories unnecessary. Id. at 4. The OCA will thus await the response to OCA/USPS-40 before deciding whether to seek compelled responses to 42(f) and 43(f).

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coefficients of variation (c.v.'s), provide a measure of that uncertainty. As reliability declines—i.e., as uncertainty increases—differences in attributable cost between categories become blurred. The interrogatories that the Service has objected to (except for OCA/USPS-37) are designed to determine whether this blurring of cost distinctions has increased recently. The Commission and the participants cannot make appropriate use of attributable cost estimates without having some sense of their relative reliability. Indeed, *cost-coverage comparisons between dockets become meaningless* if relative reliability of attributable cost estimates changes in some unknown way.

Parts (a) and (b) of interrogatory OCA/USPS-36 seek to make FY 1993 and 1995 reliability estimates for the Rural Carrier System (RCS) comparable. In addition to its relevance argument, the Service makes a burden argument. The estimated effort involved in responding to parts (a) and (b) of OCA/USPS-36 ("4 to 5 full person-days") can hardly be described as undue. If it be accepted that reliability estimates for the FY 1993 RCS are relevant in MC96-3, then four to five days of work is not even unusual, much less undue.

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Interrogatory OCA/USPS-47 seeks basic sampling documentation for FYs 1993 and 1995 for the Transportation Cost System (TRACS). The Postal Service has agreed to provide the requested documentation for FY 1995 but not for FY 1993. The FY 1993 information is relevant for determining whether changes in sample design might have led to changes in reliability of cost estimates. In fact, differences between the FY 1993 and FY 1995 sample designs could indicate an error in the FY 1995 sample or decreases in the reliability of estimates. Not all changes from one year to another are necessarily intentional or beneficial. Even the fact of no changes between FY 1993 and FY 1995 would be relevant in that it would allow the Commission to conclude that the FY 1995 TRACS estimates are at least as reliable as the FY 1993 estimates, which in turn were good enough for a general rate case.

In addition to its relevance argument, the Service makes a burden argument. The estimated effort involved in responding to OCA/USPS-47 ("3 to 4 full person-days") can hardly be described as undue. If it be accepted that the sample design for the FY 1993 TRACS is relevant in MC96-3, then three to four days of work is not even unusual, much less undue.

Interrogatory OCA/USPS-37 is a simpler matter. This interrogatory relates solely to library reference SSR-90, which

was filed in MC96-3 and contains reliability estimates for various statistical cost systems. Interrogatory OCA/USPS-37 relates solely to the In-Office Cost System (IOCS) for FY 1995. This interrogatory seeks production of programs and data files used to generate Tables 4-6 of SSR-90.<sup>2</sup> By the terms of section 31(k)(3)(i) of the rules of practice, the requested material is "presumptively necessary and shall be furnished upon request . . . ." Indeed, without the program and data files sought in OCA/USPS-37, it cannot even be verified that Tables 4-6 were computer-generated. Nor can it be verified what mathematical formulas were used to generate c.v.'s.

The primary concern of the Postal Service seems to be the fact that the materials responsive to OCA/USPS-37 contain finance numbers, which the Service considers commercially sensitive. This is not a legitimate basis for objection. The Postal Service routinely masks finance numbers in the data sets it provides to the Commission.<sup>3</sup> The fact that such a masking exercise takes a few days to complete is also no basis for objection. Some work is always involved in responding to discovery, and when requested

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<sup>2</sup> The Postal Service itself has recently stressed the importance of Tables 4-6 in evaluating the reliability of the IOCS. See Opposition of the USPS to OCA Motion to Compel a Response to Interrogatory OCA/USPS-25(a), August 27, 1996, at 3.

<sup>3</sup> See, e.g., interrogatory OCA/USPS-33, August 14, 1996.

information is "presumptively necessary" and routinely generated, a few days of work hardly constitutes an undue burden.

WHEREFORE the OCA requests the presiding officer to direct the Postal Service to respond to interrogatories OCA/USPS-36(a) and (b), 37, and 47.

Respectfully submitted,



EMMETT RAND COSTICH  
Assistant Director

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.



EMMETT RAND COSTICH  
Attorney

Washington, D.C. 20268-0001  
August 28, 1996